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Homeland Economics and Its Implications for Climate Change and Sustainable Development: Why It May Not Be the Solution, and Exploring Alternatives

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A B S T R A C T

The globalization project, despite its promise, caused economic, political, environmental, and social harm, exacerbated by neoliberal policies favoring private sectors and resource extraction from the global South. In response, "homeland economics" aimed to balance globalization's benefits with national security but fell short in addressing climate change and inequality. This study examines the implementation of Sustainable Development Goals (SDGs) worldwide, highlighting disparities due to differing economic contexts, using several countries as examples. The paper also emphasizes the interconnectedness of SDGs and climate change, arguing that sustainable development can mitigate climate impacts while promoting equality. Successful local efforts in Mexico, Tanzania, and Nepal showcase the potential of strong local institutions. The paper calls for multidimensional, cross-sectoral strategies and enhanced local capacities to achieve the 2030 SDG targets, moving beyond business-as-usual methods to address global sustainability challenges effectively.

Keywords: Homeland Economics, Sustainable Development Goals (SDGs), Climate Change, Local Institutions

1. Introduction

1.1. Globalization and Its Implications

The globalization project, despite its initial promising start, was deemed a failure that caused more harm than good, resulting in many setbacks. These include economic destabilizations, political crisis due to counter movements, and perhaps worst of all, environmental and social issues. One of the solutions that was proposed to counter this is homeland economics. However, homeland economics itself was deemed as far from the best solution, due to how it ignores implications of sustainability.

The concept of a neoliberal “free market” that empowers private sectors because of governments being in debt, not only reduced public capacity in development planning, but also allowed for foreign actors to more liberally and effectively extract resources from the global South. As a result, trade regulations were made to be less constraining to allow for more private investment. Other policies such as corporate outsourcing and relocation of factories to countries with cheap labor, only did more to worsen the economic state of these countries, not to mention the effect it had on the environment due to overextraction of resources (McMichael and Weber, 2020).

1.2. Research Objectives and Methodology

This study aims to address how homeland economics as a conventional solution to globalization has failed, as well as to look at other solutions related to sustainability and the employment of local solutions. The first section of this article addresses the repercussions of the globalization project and how homeland economics, as a countermovement to this, fails. The second section focuses more on solutions leaning towards sustainability, such as the SDGs, how it intersects with climate change, and how local practices can help accelerate sustainable development.

This study employs a qualitative analysis of secondary data, including case studies, reports, articles, and academic literature, to evaluate the effectiveness of homeland economics and alternative approaches related to climate change and sustainability.

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2. Counter-Movements: Introducing Homeland Economics

Perhaps to counter this, and to remake globalization, a new alternative was established, known as “homeland economics”. The idea of homeland economics was discussed in an article by The Economist, where they explained how it was brought by a shift in global economic power, mainly triggered by events such as the Cold War. In this article, it was touched on how homeland economics was a response to the negative impacts of globalization and free-flowing capital markets, despite proven to reduce poverty and inequality.

In a way, the homeland economics initiative seems like a fair alternative for countries to improve their own economy while not solely relying on other nations. Homeland economics seeks to maintain globalization, with an emphasis on efficiency and low prices, while minimizing the downsides of uncertainty of the previous system (collapsing economies, political insurgence, etc.). Therefore, national security and economic policy must be combined. Seeing as how privatization was the main element of globalization, leading to a downplay in public initiatives and assets, this would seem like a step in the right direction, wherein governments are allowed to take charge of their development once more. However, this success is as of now nothing more than a theoretical approach.

Through homeland economics, governments are more focused on developing strategic industries such as computer chips, electric vehicles, and AI. This includes a high emphasis and funding in green energy sectors, as countries everywhere are joining the “green movement" to reduce GHG emissions and promote renewable energy. After all, the need to reconnect economic and ecologic relations is becoming increasingly urgent, further backing their pledge for their support of clean technologies to combat climate change. Countries all over the world are using industrial policies to compete in energy and technology manufacturing (including green energy), throwing subsidies and splashing cash here and there to meet their goals.

2.1. Evaluation of Homeland Economics: Sustainability and Effectiveness

But is this, or will this, be sustainable? According to the article, most likely not. Other than decreasing global output (global GDP is estimated to decrease by 5%), homeland economics is not a proper solution for combatting climate change. Therefore, these new industrialization policies will do little to reduce climate change and inequalities. Job opportunities will still be scarce, and the cost of green industries that seek to improve the nation’s economy will arguably outweigh the benefits. Green subsidies also come with a high risk, in which foreign companies are blocked from supplying domestic markets. The benefits of green subsidies for the fight against climate change are also, to this day, still unclear. They may also lose imports that have been directed to domestic markets.

What’s more, the “green industry" and greening in general as seen today is a tricky concept. For example, biofuels labeled as “green energy” are also deemed unsustainable, due to the production being carbon intensive. The biofuel industry also has a major effect on the world agricultural market, in which it heavily reduces food supplies in favor of more biofuel. Therefore, industries operating in the green sector should be careful of the costs and benefits of implementing such initiatives.

3. Alternatives to Homeland Economics

3.1. The Sustainability Project

So, what would be the better solution in place of homeland economics, especially regarding the fight against climate change and inequality? Instead of mass local industrialization policies, governments should focus on more direct policies that promote sustainability. One of which is through public green initiatives, which seeks to revalue state agencies in implementing sustainable practices. We’ve learned that innovation to reduce GHG emissions and promote sustainability relies a lot on public infrastructure and policies, therefore handing over energy problems to be solved by the market will prove questionable. Private sector monopolies also tend to not prioritize emission reductions. Hence, new policies and programs that focus on reintegrating human activity with its ecological foundations is at a new level of urgency. One of the main approaches of these is through recognizing community-based practices in developing local wealth and security.

Thankfully, many believe that we are now approaching a new era which many have dubbed “the Sustainability Project” (McMichael and Weber, 2020), in which we aim to eradicate all forms of inequality and vulnerability (something that was brought upon by the globalization project). One of the main elements of the sustainability project is sustainable development, which is further reflected in the establishment of the Sustainable Development Goals or SDGs.

3.1.1. Case Studies on SDGs Implementation

The SDGs seems like an idealistic approach to resolve inequality while tackling other major issues such as climate change and loss of ecosystems. Unfortunately, different countries are bound to face different challenges, most of which were spurred by the long-lasting effects of colonialization, leaving them impoverished and at a comparative disadvantage. For this study, we will discuss how the SDGs are implemented in several countries around the world, with varying results. This specific selection of

countries represents a spectrum of development levels and geographic regions, enabling an exploration of SDG implementation challenges and successes in various contexts. The countries' respective Gross Domestic Product (GDP) was considered in this selection, providing a variety of development levels, from low-income, high-income, and developed. In addition, this selection of countries helps capture both successes and shortcomings in SDG implementation, providing a nuanced understanding of global trends. They reflect the interconnectedness of socioeconomic and environmental challenges, as well as the varying capacities of governments and institutions.

All countries mentioned here are in the sustainability race, but with differing progresses in different sectors. France, considered a developed country, is currently ranked 6th out of 166 countries in the SDG Index. Different countries and their place in the world economy will face different challenges than other countries who are more "marginalized". According to a report by the OECD in 2021, France's high level of redistribution achieved through taxes and transfers have contributed to low-income inequality. France also appears to have good performances regarding GHG emissions and educations and education to sustainability. On the other hand, the country still struggles with disparities in education outcomes and faces pressure on human health and biodiversity preservation.

a. Africa

Uganda, on the other hand, is massively trailing behind France in terms of SDGs achievement, being ranked 144th (data retrieved from SDG Index). Uganda is evidently struggling with much more of the goals compared to France, who are on track to moderately improving most of their goals. Uganda, being a third-world country, faces far greater and more challenges in SDGs achievement in comparison to France, perhaps the biggest one being inequality due to stagnant economic growth. This is, unfortunately, a problem that most African nations are far too familiar with. African cities and countries are considered enclosed to the world, due to the urban economies that are limited to non-tradable goods and services, spurred by fragmented and inequal physical development. Thus, a focus on improving economies to reduce inequalities must be of priority to these countries. Uganda, in particular, is ranked 13th (as of 2024, according to statista.com) out of 20 observed African countries in terms of GDP. Fortunately, several programs have been implemented to support these focuses, an example being a joint program with the UNDP in digitalizing informal market vendors in Uganda. As a result, countries with poorer economies tend to focus more on improving their well-being by eradicating poverty and inequality first (something France has achieved based on their SDG index), while putting on hold other factors such as clean energy and biodiversity conservation.

Shifting focus to another country in Africa, Nigeria, despite having the fourth highest GDP among African countries (as of 2024[1]), are still significantly lagging in SDGs achievements, being ranked 146th overall in SDG Index Rankings. According to the SDGs dashboard, however, Nigeria has had some progress in goals such as Climate Action and Responsible Consumption and Production. Responses to climate vulnerability could be seen through programs such as the Nigeria Erosion and Watershed Management Project (NEWMAP), which collaborates with the World Bank to rehabilitate degraded lands and reduce erosion and climate vulnerability in 23 states. This program involves investments in erosion and watershed management infrastructure, development of information services in monitoring, strengthening Nigeria's strategic framework, and supporting project management at federal and state levels with financial, social, and environmental safeguards.

Challenges thus remain within sectors such as poverty and inequality, as well as clean energy. In 2022, Nigeria released their Energy Transition Plan, to achieve their 2060 net zero emission target (based on the country's commitment at COP 26). However, The Climate Action Tracker website has evaluated this plan and its comprehensiveness as "Average", with improvements to be made in their carbon reduction and removal targets, as well as transparent assumptions on carbon dioxide removal.

b. South America

In South America, countries such as Peru are also implementing their own programs and policies to meet the SDGs. The government of Peru acknowledges its role in implementing the SDGs, establishing the "Pre-Image of Peru in 2030" that will guide the design of the country's National Strategic Development Plan to 2030 based on the 2030 Sustainable Development Agenda. The country has also created The System for Monitoring the Indicators of SDGs, with support from the UN in Peru, which considers developing sectoral statistical data and technical reports in compliance with the SDGs at all state levels.

Peru is currently ranked 65th overall in SDGs Index rankings. The SDGs dashboard show that Peru has made considerable progress in achieving the Quality Education target, yet challenges remain particularly in biodiversity and inequality. This is in line with the survey results shown in the SDG hub, which indicate that SDGs #4: Quality Education was the most prioritized by companies in Peru, with biodiversity being among the least prioritized. These results demonstrate that Peruvian businesses tend to place more weight on SDGs related to social impact over environmental priorities. In other words, companies recognize the importance of satisfying certain basic human needs for their employees and consumers, before having the 'climate action dialogue'. Some companies, however, do

recognize and engage with the SDGs as an integral system in which all aspects are connected: people, planet, prosperity, peace, and partnerships.

Despite having lower GDP than Peru (per IMF report, 2023), Uruguay currently ranks higher than Peru in terms of SDGs Index rankings, being ranked 32nd overall, with notable achievements in poverty reduction and clean energy. The Joint SDG Fund has assisted in the Renewable Energy Fund for Uruguay, in which the government of Uruguay plans to implement its second energy transition. This is done through decarbonizing the industry and transportation sectors, securing universal access to renewable energy, and spurring innovation and competitiveness in the energy sector. This program is also seen as a blended finance window for green transition projects coupled with a technical assistance facility. In addition, this program also promotes social and gender inclusivity, through increasing access to energy for vulnerable groups and women's participation in renewable energy economy.

Country	Rationale	SDGs Implementation
France	Developed country with high redistribution policies	Programs in GHG reduction and education
Uganda	Low-income country facing significant SDGs challenges	Poverty eradication through digitalization of informal market vendors
Nigeria	Middle-income country with moderate SDGs progress	Climate action and energy transition policies
Peru	Priority of social impacts over environmental goals	Education programs
Uruguay	Priority of renewable energy projects	Energy transition policies through decarbonization and increased access to renewable energy

Table 1. Summary of SDGs implementation in some countries

3.2. Climate Change and Sustainable Development

Besides the ones discussed above, there are many other countless examples of countries recognizing and implementing the SDGs to reduce inequality, most notably through climate change mitigation and adaptation plans. Impacts of climate change are known to hinder the achievement of some SDGs targets (Nerini et. Al, 2019). Climate change can and will affect the achievability of goals relating to material and physical well-being such as prosperity and welfare (hampering agricultural production), poverty eradication and employment, food, energy and water availability, and health (increase of health risks through distribution of disease vectors). Conversely, SDGs can help with climate change adaptation through implementation of multidimensional approaches on the ground. The integration of SDGs and climate change into policies can help escape the trap of one-dimensional national planning (Sanchez et. Al, 2018).

Going back to the idea of homeland economics and how we can move away from that idea, governments are expected to be at the frontline of fighting climate change and achieving the SDGs. The examples from countries mentioned above seem to emphasize this, with most of the programs being government-led. However, this could also lead to consequences in which the government's policies might even hamper climate change action and SDGs implementation. According to Sanchez et. Al (2018), one of the main challenges is the lack of cross-sectoral approaches from the government. Based on most countries' cases, governments tend to separate policy design and implementation in silos (health, environment, housing, infrastructure, etc.), when in fact all these targets should be integrated with each other to avoid tradeoff between the goals themselves. Many discourses still tend to separate climate change and sustainable development, seeing the former as more of an environmental issue, thus paying little attention to the socioeconomic, ethical, cultural, and political dimensions (Eriksen et. Al, 2011).

Ultimately, tradeoffs between separate SDGs remain inevitable. The challenge today is how to minimize said tradeoffs while increasing synergies between the goals. An example being synergies between climate change and infrastructure development, in the form of climate-friendly infrastructures. Circling back to the idea of linking climate change and SDGs, climate policies, if not properly designed can be socially and economically regressive, exacerbating inequality and poverty, an example being how it could impact land and food prices (Nerini et. Al, 2019). Many countries, as seen in the examples above, are in the race for securing and promoting universal access for renewable energy, such as Peru with their Renewable Energy Fund. However, renewable energy is still considered, as of today, more expensive than fossil fuels. As countries manage to lift millions out of poverty and provide much-needed health

care and other basic needs, the demands on affordable and clean energy currently rises at a rate that jeopardizes progress regarding the 2030 Agenda (Kroll et. Al, 2019). This calls for better research and policymaking to solve the SDGs tradeoffs and increase synergies among the SDGs targets, primarily research on interaction between SDGS and climate change adaptation pathways, with a better understanding of the social sciences aspect. Identifying the synergies between climate adaptation and sustainable development has become increasingly important, especially when considering the environment and poverty challenges at play (Eriksen et. Al, 2011).

3.2.1. The Role of Local Institutions in Climate Change and SDGs

Sanchez et. Al (2018) also stated that another challenge in SDGs implementation and climate change adaptation is the lack of coordination between regional governments and the central government, which is especially prevalent in most Global South countries. This boils down to the issue of how governments, particularly central governments, are expected to be at the frontline of climate change and SDGs. This leads to local governments and institutions being sidelined, when in fact, their contributions to climate change mitigation and adaptation must also be acknowledged.

Localization of SDGs and climate change efforts have recently garnered popular attention in academic discourses. Some discourses agree that local institutions, such as private sectors, NGOs, local communities, as well as national and international organizations, are ideally placed to promote inclusive sustainable development within their respective localities. These local institutions also help in generating and implementing integrated cross-cutting and sectoral strategies, which straddle the public sector for the post-2015, post-development agenda (Reddy, 2016). Local stakeholders are also critical to the process of the promotion of key values of culture (notably, heritage, creativity and diversity) and the transmission of knowledge as drivers and enablers of sustainable and inclusive development. The idea of local institutions and their contribution to climate change and SDGs is based on the flaws and failures of the previous Millenium Development Goals (MDGs), being the initial lack of grassroots consultation and support and community ownership. Putting local institutions in the forefront of tackling climate change and the SDGs promotes the importance of strong governance systems born from local institutions, leading to a "bottom-up" approach instead of the conventional "top-down" we mostly see today (McSweeney and Coombes, 2010).

An example of local efforts to combat climate change can be seen through the application of Community-Based Adaptation (CBA), which is based on participatory assessment of climate risks (done by local communities) and emphasizes the development needs of vulnerable communities. The implementation of CBA is built off the premise that that local institutions have the local skills, knowledge and experience to increase resilience and reduce vulnerability towards climate change, therefore increasing their own sustainability (Forsyth, 2013). However, due to the nature of CBA being seen as a "local solution to a global problem", this must be coupled with strong institutions. In the fight against climate change, local institutions are crucial in influencing how households are impacted by climate change, shaping how communities respond to climate change, and acting as intermediaries for external support (Agrawal et. Al, 2008). This itself, according to Agrawal, could still be improved upon, through partnerships and linkages between informal institutions, which could help garner support from external public institutions and governments.

An example of how linkages between institutions help in fostering adaptation can be found in Mexico (based on UNFCCC's Coping Strategies database), where it was observed that a community was found to be engaged in a more diverse set of productive activities, intensified their involvement in non-farm work including public works programs, and emergency food distribution campaigns. Compared to the other communities that were primarily engaged in extensive labor and selling livestock, the community in question had institutions that facilitated connections between officials in public works programs and local households, helping in diversifying products and income. The role of local institutions was also observed working with The Ministry of Natural Resources and Tourism to establish a natural resource management system based on indigenous knowledge, as part of a restoration program for the Shinyanga region in Tanzania. Working through local institutions, farmers were engaged in agroforestry using degraded croplands and rangelands, employing traditional village guards, and conserving vegetation by closing off certain areas for regeneration. Another case study in Nepal also highlights the role of local institutions, notably through institutional innovation (Ghimire and Chhetri, 2022). Collaboration of multiple institutions here gave birth to Climate Smart Villages (CSV), an organized approach to designing location-specific interventions in response to changes in the agricultural system, whether it be climate change or any other changes. Policies should focus on strengthening these local institutions, particularly in the agricultural sector, which is crucial for achieving climate change mitigation targets, especially in the long term. The agriculture sector also offers an opportunity to enhance sustainable food production on several fronts besides GHG emissions (Gil et. Al, 2019), but this is a discussion for another day.

4. Conclusion: Moving Beyond Homeland Economics and Towards Multidisciplinary Solutions

The analysis reveals that homeland economics, while conceptually promising, fails to adequately address the multifaceted challenges of climate change and inequality. This is evident in the struggles of countries like Nigeria and Uganda, where efforts to adopt green technologies and reduce inequality are hampered by structural and policy limitations that homeland economics does not resolve. On the other hand, the case studies of Peru, Uruguay, and Nepal illustrate the transformative potential of community-driven, localized approaches. For instance, Uruguay's renewable energy transition underscores the effectiveness of integrated policies that prioritize ecological and economic goals. Similarly, Nepal's Climate Smart Villages highlight the importance of local institutions in fostering adaptive and innovative solutions.

To achieve the Sustainable Development Goals and address global sustainability challenges, it is essential to move beyond the isolated and often siloed strategies of homeland economics. Instead, governments must invest in multidimensional, cross-sectoral strategies that leverage local capacities and foster institutional collaborations. By doing so, they can mitigate tradeoffs, enhance synergies, and promote equitable development that aligns with ecological imperatives.

Climate change and the SDGs, being a global issue, is not something that can be solved by one nation alone, therefore we must work with each other instead of against each other.

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